

HOUSE BILL NO. 3167

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE EALY.

6897H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to investor purchase of residential homes, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be known as section 620.5000, to read as follows:

620.5000. 1. As used in this section, the following terms mean:

- (1) "Community-based entity", a nonprofit organization, community development corporation, or community land trust whose mission includes affordable housing or resident ownership;**
- (2) "Covered residential property", includes:**
 - (a) A single-family home;**
 - (b) A two-family duplex, three-family triplex, or four-family quadplex dwelling unit; or**
 - (c) Any parcel zoned primarily for residential use containing up to four dwelling units;**
- (3) "Department", the department of economic development;**
- (4) "Individual owner", a natural person who holds title in their own name, or in a revocable trust for their primary residence or family use;**
- (5) "Institutional investor", any entity:**
 - (a) Including a hedge fund, private equity firm, real estate investment trust, corporation, partnership, or limited liability company, that owns, directly or indirectly, more than fifty covered residential properties within the United States; or**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **(b) That manages assets on behalf of others with an aggregate value exceeding**
19 **one hundred million dollars and engages in real estate investment as part of its business**
20 **operations.**

21 **2. (1) No institutional investor shall purchase, acquire, or take title to any**
22 **covered residential property on or after August 28, 2026.**

23 **(2) No subsidiary, affiliate, shell company, or special-purpose entity created for**
24 **the purpose of evading the provisions of this section shall be permitted to hold title to a**
25 **covered residential property.**

26 **3. Any transfer of ownership made by an institutional investor or its subsidiary,**
27 **affiliates, shell company, or special-purpose entity in violation of this section shall be**
28 **void, and title shall revert to the prior owner for resale to an eligible buyer.**

29 **4. The provisions of this section shall not apply to:**

30 **(1) Nonprofit affordable housing providers or land trusts;**

31 **(2) Public housing authorities;**

32 **(3) Small businesses or local partnerships owning fewer than fifty covered**
33 **residential units statewide; or**

34 **(4) Financial institutions holding foreclosed properties for resale within twelve**
35 **months of acquisition.**

36 **5. The department shall coordinate with each county recorder of deeds in the**
37 **appropriate county office or use the county's official website portal to:**

38 **(1) Create and maintain a registry of institutional investors and their residential**
39 **property holdings in the state; and**

40 **(2) Review recorded deeds and titles to ensure compliance with this section.**

41 **6. No later than January 31, 2027, and every six months thereafter, the**
42 **department shall provide the registry data generated under subsection 5 of this section**
43 **to the Missouri housing development commission created under chapter 215. Such**
44 **information or data shall be provided in a format established by the department. The**
45 **department is authorized to enter into data-sharing contracts to maintain the**
46 **confidentiality of the information as required by law.**

47 **7. The attorney general's office is authorized to enforce this section and shall**
48 **bring a civil action including, but not limited to, forfeiture proceedings in a court of**
49 **competent jurisdiction in the county where all or part of the real property that is the**
50 **subject of the violation is located.**

51 **8. Any permanent injunction, judgment, or order of the court shall be prima**
52 **facie evidence in an action brought under this section that the defendant used or**
53 **engaged in an action or practice that is contrary to the state's prioritization for**
54 **affordable housing or resident ownership.**

55 **9. An institutional investor or entity that a court determines in an action brought**
56 **under this section by the attorney general's office to have violated the provisions of this**
57 **section is subject to:**

58 **(1) A civil penalty or fines of up to fifty thousand dollars per property; and**

59 **(2) Divestiture of property or properties unlawfully obtained either through sale,**
60 **termination of a leasehold, or other disposition of the interest in property.**

61 **10. Any resident displaced by a violation under this section may bring a private**
62 **civil action in the circuit court where all or part of the real property that is the subject of**
63 **the violation is located, to seek injunctive relief and recover actual damages.**

64 **11. The department shall promulgate all necessary rules and regulations for the**
65 **administration of this section including, but not limited to, the following:**

66 **(1) Define compliance reporting standards;**

67 **(2) Establish verification and audit procedures for institutional ownership; and**

68 **(3) Develop guidelines for the resale of divested homes to individual and**
69 **community-based buyers.**

70 **12. Any rule or portion of a rule, as that term is defined in section 536.010, that**
71 **is created under the authority delegated in this section shall become effective only if it**
72 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
73 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
74 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
75 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
76 **then the grant of rulemaking authority and any rule proposed or adopted after August**
77 **28, 2026, shall be invalid and void.**

✓